

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6893

BILL NUMBER: SB 330

NOTE PREPARED: Jan 23, 2014

BILL AMENDED: Jan 23, 2014

SUBJECT: Better Skills for Adult Learners.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) The bill requires the Commission for Higher Education (CHE) to award part-time student grants totaling at least 50% of the available appropriation each fiscal year to students who are identified by CHE as financially independent from their parents and pursuing a program of study that will lead to a specific high-demand, high-wage job.

The bill also requires CHE to submit, not later than November 1, 2014, to the Legislative Council, a report that includes: (1) the size of student populations in Indiana that attend a postsecondary educational institution part-time or that combine part-time and full-time enrollment in a postsecondary educational institution; (2) the financial need of these student populations; (3) the completion rates of these student populations; and (4) recommendations for increasing the completion rates of these student populations using financial support and student incentives.

It provides that, for state fiscal years beginning after June 30, 2014, the state Workforce Innovation Council shall allocate a percentage of the funds made available to Indiana under the Workforce Investment Act for adult and dislocated worker training for performance based funding training that leads to occupations that the Department of Workforce Development (DWD) has categorized as high-demand, high-wage jobs and that are tied to existing employer demand in the region in which the training is offered.

Effective Date: July 1, 2014.

Explanation of State Expenditures: (Revised) *Commission for Higher Education* - The bill requires CHE to use at least half of the Part-Time Student Grant Fund in FY 2015, and all years thereafter, to students who are identified to be financially independent from their parents and pursuing a program of study that will lead

to specific high-demand, high-wage jobs.

HEA 1001-2013 (the most recent biennial budget bill) appropriated approximately \$7.6 M in FY 2014 and \$7.6 M in FY 2015 for the Part-Time Student Grant Fund. The Part-Time Student Grant Fund is directed towards college students who are enrolled less than full-time and who have need for financial aid toward completion of a degree.

The bill also requires that the CHE submit a report to the Legislative Council a report regarding secondary education and information on part-time students. This report is due by November 1, 2014, and is within CHE's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Workforce Innovation Council - The Council is to allocate a percentage of Workforce Investment Act (WIA) funds in FY 2015, and all fiscal years thereafter, for the purposes of performance based training that will lead to jobs that DWD has categorized as high-demand, high-wage jobs and that are tied to existing employer demand in the region in which the training is offered. The Council is to develop performance-based funding criteria for eligible training providers.

The state received approximately \$47.3 M in WIA funds in FY 2012 (the last year for which WIA information is available). It is not possible at this time to project the future federal WIA dollars that will be made available to the state.

Department of Workforce Development - DWD will, in consultation with the Council, report data from this new WIA training program to the Workforce Intelligence System.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education; Department of Workforce Development; Workforce Innovation Council, Workforce Intelligence System.

Local Agencies Affected:

Information Sources: Michelle Marshel, DWD, mmarshel@dwd.in.gov; *Indiana Department of Workforce Development Program Year 2011 (July 1, 2011, through June 30, 2012) Workforce Investment Act Annual Report*.

Fiscal Analyst: Stephanie Wells, 232-9866.